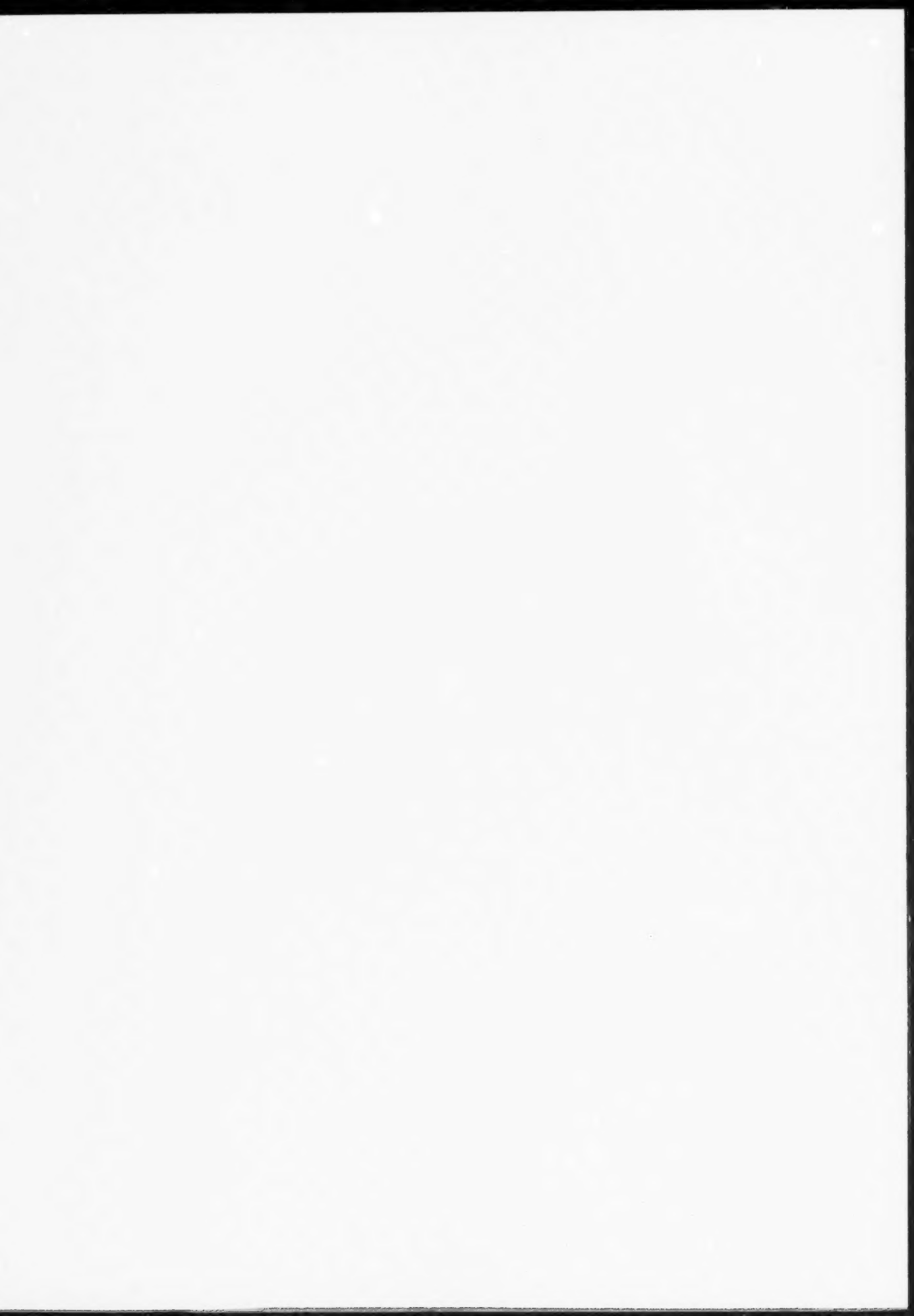


ANNUAL REPORT

**FOR THE YEAR ENDED
MARCH 31, 1980**



**NEWFOUNDLAND
MEDICAL CARE COMMISSION**



DEPARTMENT OF HEALTH

St. John's, October, 1980

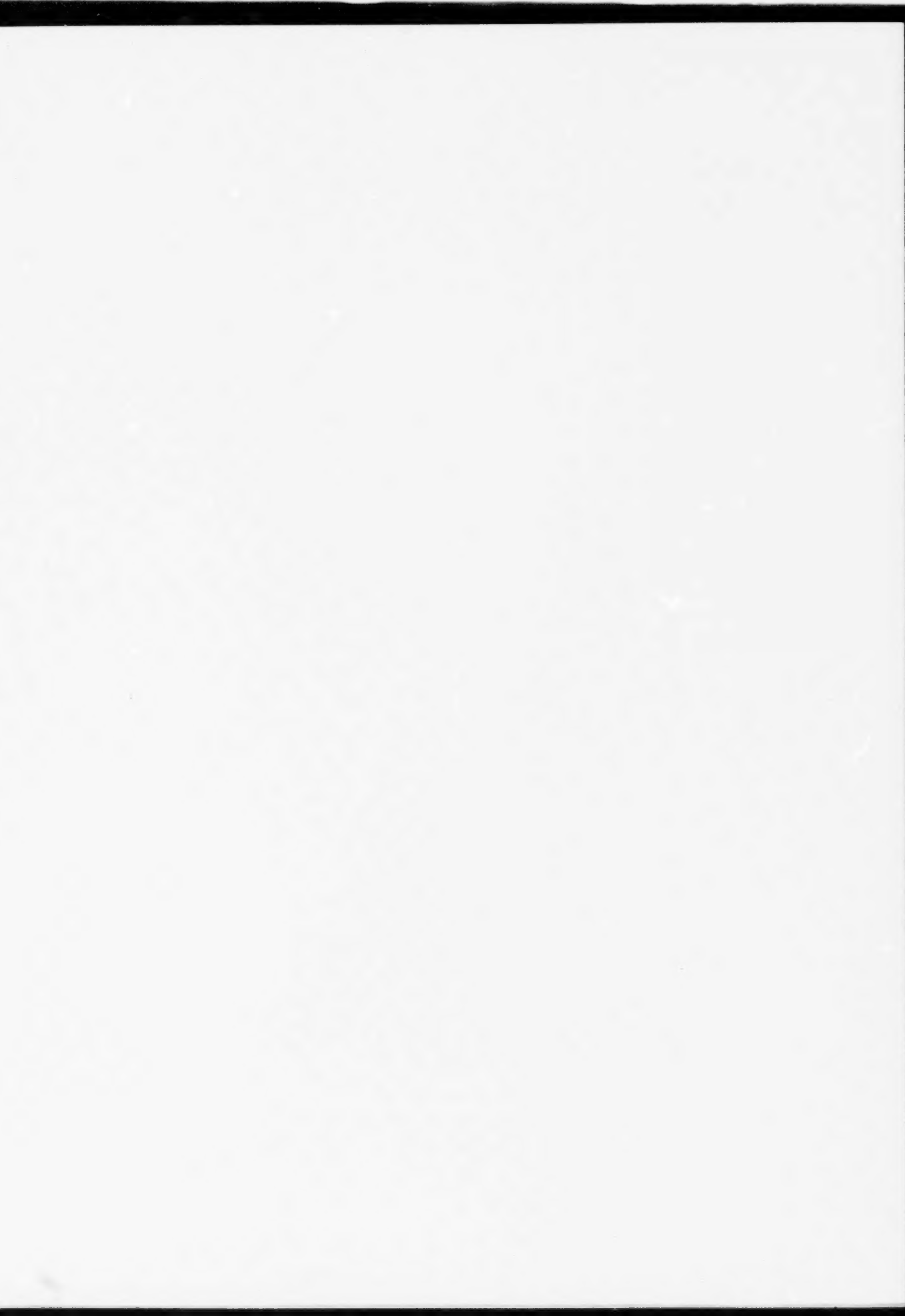
TO THE HONOURABLE GORDON A. WINTER,
Lieutenant Governor of Newfoundland and Labrador.

May it please your Honour:

I have the honour to present the Annual Report of the
Newfoundland Medical Care Commission for the year ended March
31, 1980.

Your obedient servant,

H. WALLACE HOUSE,
Minister of Health.



NEWFOUNDLAND MEDICAL CARE COMMISSION

St. John's, October, 1980

TO THE HONOURABLE H. WALLACE HOUSE,
Minister of Health.

Honourable Sir:

I am pleased to present the Annual Report of the Newfoundland Medical Care Commission for the year ended March 31, 1980.

Respectfully submitted,

ROGER M. CROSBIE,
Chairman.



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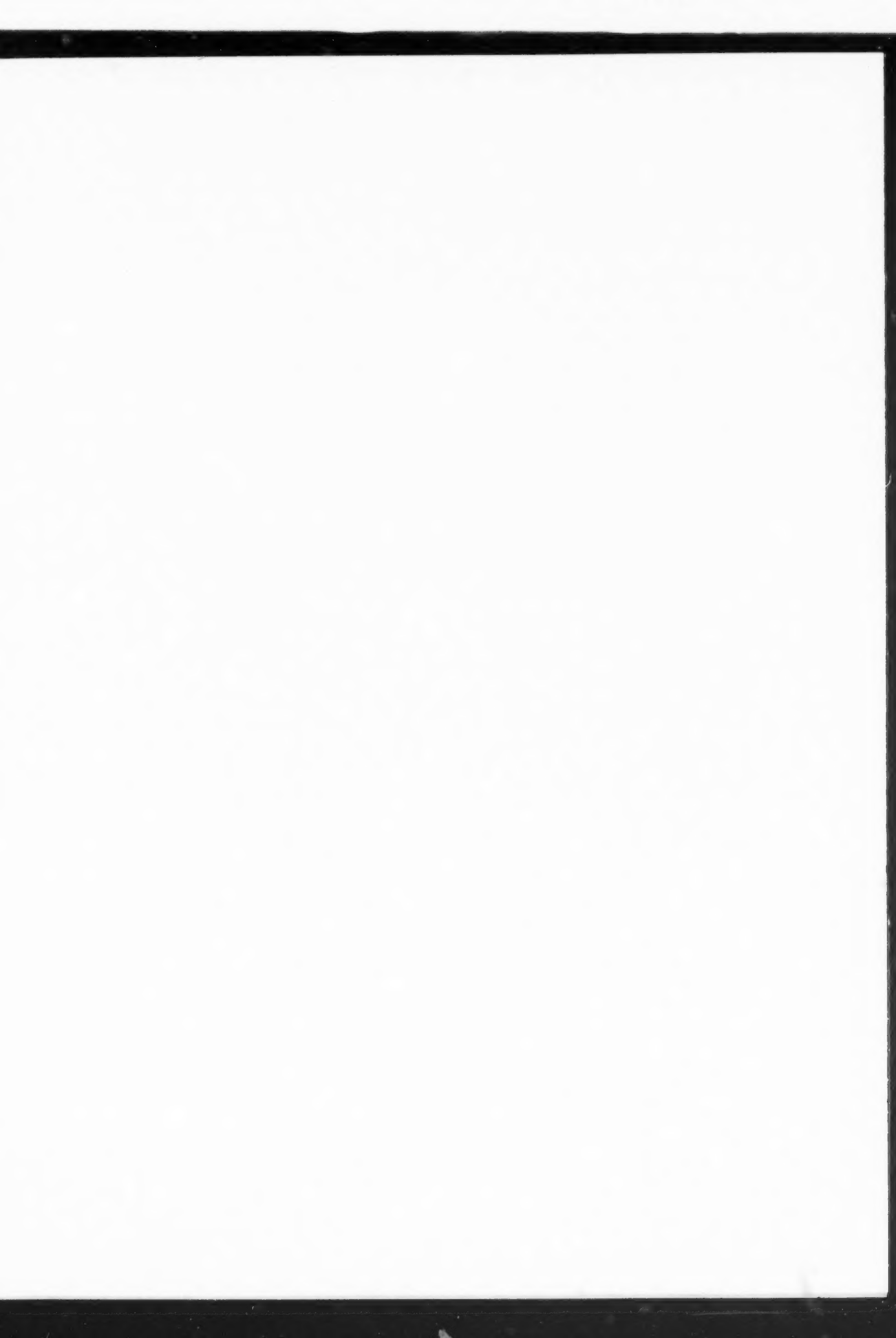




HIGHLIGHTS OF 1979-80 REPORT



- A fee schedule increase of 8% was negotiated with the Newfoundland Medical Association effective April 1, 1979 with further provision for a comprehensive review of all aspects of physician remuneration and patient participation.
- Volume of services increased by 6.2% to 2,777,585 as compared with an increase of 4.9% in the previous year.
- Payments for insured services totalled \$31,513,361.
- Administrative costs totalled \$1,434,000 or 4.35% of total program expenditure.
- At year end there were 670 physicians active in the province, 451 of whom were in private practice.



THE NEWFOUNDLAND MEDICAL CARE INSURANCE PLAN

the plan

The Newfoundland Medical Care Insurance Plan (MCP) provides coverage of medical services for all bona fide residents of the province. The plan is administered by the Newfoundland Medical Care Insurance Commission, appointed in accordance with Section 4 of the Newfoundland Medical Care Insurance Act, Chapter 265 of the Revised Statutes of Newfoundland, 1970 and the Commission is responsible to the Minister of Health.

The Medical Care Insurance Fund, authorized under Section 29 of the Act, is funded by monies voted by the legislature of Newfoundland. The Commission's fiscal period is April 1 to March 31 and its financial position relative to cost is reported on a full accrual basis.

The legislative framework of the plan is set out in the Medical Care Insurance Act, amendments to that Act and its various regulations. The responsibility for the administration of the plan is vested in a Commission appointed by the provincial government.

Medical Care Plan beneficiaries have complete freedom of choice as to which physician they consult. Physicians may either participate in the plan or opt out. A participating physician invoices MCP in accordance with a negotiated payment schedule. When a physician is non-participating, he retains the right to bill the patient directly at rates which may be greater than those listed in the payment schedule. MCP then reimburses the patient at payment schedule rates and the patient is responsible for any difference.

When services are rendered to MCP beneficiaries outside the province of Newfoundland, payment for insured services is made at MCP payment schedule rates. When the amount billed exceeds the amount payable, payment of the difference becomes the patient's responsibility.

Physicians' services insured under the plan are set out in the Newfoundland Medical Care (Insured Services) Regulations. These include:

- Visits in the office, hospital or home.
- Care and treatment before, during and after operations, including anaesthesia.
- Complete maternity care.
- Eye examinations performed by a physician.
- Specified surgical-dental procedures medically required to be performed in a hospital.

Not insured under the plan are:

- Examinations not necessitated by illness or at the request of a third party, e.g. annual check-up, employment medical, pre-school medical, etc.
- The difference between general practice and specialist rates for non-referred visits to a specialist.
- The services of optometrists, chiropractors, podiatrists, osteopaths, physiotherapists, nurses or other para-medical personnel.
- Plastic or other surgery for cosmetic purposes.
- Advice given by a physician to a beneficiary by telephone.
- Eye glasses, hearing aids, surgical appliances, wheel chairs, crutches, artificial limbs, etc.
- Drugs and vaccines.
- Transportation, mileage charges and ambulance charges.
- Services available to a resident under legislation covering Newfoundland Hospital Insurance, Worker's Compensation, Department of Veteran's Affairs, Royal Canadian Mounted Police and Canadian Armed Forces.

organization

**MEMBERS
NEWFOUNDLAND MEDICAL CARE COMMISSION**

31 MARCH 1980

CHAIRMAN	Roger M. Crosbie St. John's
VICE-CHAIRMAN	Dr. H. J. Blackwood St. John's
MEMBERS	Mrs. Amy Burden Gander
	William Collins St. John's
	James Finn St. John's
	Stephen Gallagher St. John's
	Mrs. Vera MacDonald St. John's
	Ronald Smith Deer Lake
	Dr. P. A. Spurrell St. John's
	James Walsh St. John's
	Dr. I.R. Woolfrey Grand Falls
EX-OFFICIO MEMBERS	
Executive Director	Robert O. Peddigrew
Assistant Deputy Minister of Health	Ambrose M. Hearn

SENIOR COMMISSION PERSONNEL

31 MARCH 1980

EXECUTIVE DIRECTOR	Robert O. Peddigrew
MEDICAL DIRECTOR	Dr. Gregory F. Russell
MANAGER, SYSTEMS & INFORMATION	Anthony Sheppard
MANAGER, FINANCE & ADMINISTRATION	Leonard J. Squires
MANAGER, CLAIMS PROCESSING	Mrs. Jane Corbett
MANAGER, MEDICAL AFFAIRS	Gerald Attwood
ADMINISTRATIVE OFFICER	Lester Butler
ASSESSMENT SUPERVISORS	
- IN-PROVINCE CLAIMS	Miss Lorraine Healey
- OUT-OF-PROVINCE CLAIMS	Mrs. Hazel Gladney
SUPERVISOR, EDIT	John R. Mugford
SUPERVISOR, PUBLIC SERVICES	Nelson Harris
SUPERVISOR, CLAIMS REVIEW	Ernest Shute

COMMISSION

Section 18 of the Act makes provision for a Commission responsible to the Minister of Health and charges this Commission 'to be responsible to establish and administer a plan of medical care insurance for residents of Newfoundland'.

At March 31, 1980 the Commission was comprised of a Chairman and ten other voting members appointed by the Lieutenant-Governor in Council, three of whom are nominated by the Newfoundland Medical Association and two ex-officio members - the Assistant Deputy Minister of Health and the Executive Director of the Commission.

Seven regular meetings were held and a number of sub-committees were formed to study and report on matters delegated by the Commission. In addition, several standing committees met throughout the year.

The terms of office of all members of the Commission expired on December 31, 1979. Mr. Roger Crosbie was re-appointed as Chairman and Drs. H. J. Blackwood, P. A. Spurrell, I. R. Woolfrey and Mr. Stephen Gallagher were appointed for a further term.

Of those members whose terms of office expired in December, Mrs. Kathleen Neal of Corner Brook had served as a member from March 1975, while Mr. John Lloyd of Gander had been a member from March 1976. Miss Maureen Greene and Mr. John McGrath, both of St. John's, and Mr. George G. R. Parsons of Portugal Cove were appointed for a two year term with effect from January 1, 1978. Special acknowledgement is made of the valuable contribution made by the outgoing members in administering the Medical Care Program in Newfoundland.

New appointees to the Commission during the year were Mrs. Amy Burden, Mr. William Collins, Mr. James Finn, Mrs. Vera MacDonald, Mr. Ronald Smith and Mr. James Walsh.

The following committees met throughout the year:

- **Joint Liaison Committee** - This forum with representatives from the Newfoundland Medical Association and MCP continued its role in information exchange and policy discussion.
- **Advisory Committees** - The Medical and Dental Advisory Committees continued to provide professional insight on the assessment of difficult and contentious claims as required.
- **Consultants' Committee** - The monthly review of physician profiles continued this year, and the committee earnestly explored profile deviations and evaluated responses to the letters of inquiry which resulted.

• **Tariff Development Committee** - In the latter part of the year the work of this Committee was intensified and correlated with the work of the Special Committee on Physician Remuneration.

• **Payment Schedule Increase** - Negotiations between the Newfoundland Medical Association and the Medical Care Commission were ongoing throughout 1979. It was not until October that agreement was reached on a general increase of 8% retroactive to April 1, 1979. The increase was coupled with the appointment of a special committee to study all aspects of physician remuneration and patient participation. The committee was struck by Government in reaction to submission from the Newfoundland Medical Association which voiced grave concern about the present and future medical manpower in this province. The Committee was composed of representation from the Newfoundland Medical Association, the Medical Care Commission, the Department of Health and Treasury Board. In view of the possible impact of changes which were likely to follow the submission of this Committee's report, the Medical Care Commission elected to continue using the 1978 Payment Schedule with payments increased by 8% rather than print an interim Payment Schedule.

At the close of the year payments were being made on the above format and recommendations were being presented to Government by the Special Committee.

The Surgical-Dental Payment Schedule underwent a similar increase as it was felt that the Committee's recommendations would also affect payment for those dental services insured under MCP.

EXECUTIVE

The Executive Director, Mr. Robert O. Peddigrew, is the chief executive officer of the Commission and is responsible for the general direction, supervision and control of the business of the Commission. He reports to the Commission through the Chairman.

The Commission's executive also includes the position of Medical Director. In addition to his internal role as director of Medical Affairs, the Medical Director acts as chief liaison officer in dealings with the medical and dental professions. Dr. Gregory F. Russell continued to serve in this capacity.

FINANCE AND ADMINISTRATION

As part of an organizational change which became effective April 1, 1979 the Commission's Department of Finance and Statistics was renamed the Department of Finance and Administration.

Under the direction of the Manager all matters related to budgets, financing, accounting, purchasing, payroll, mail operations, printing and general administration are performed.

Monthly financial statements are prepared and presented for Commission review.

During the year a Budget/Finance Committee comprised of the Chairman, two Commissioners, the Executive Director and the Manager of Finance and Administration reviewed all financial reporting formats and structures.

In addition to making a number of improvements to the Commission's internal financial report formats, an improved method of funds transfer from the provincial treasury was identified and implemented.

Effective April 1, 1979 responsibility for payment to the province's salaried physicians reverted back to the Department of Health from the Commission.

The Commission's audited financial statements, presented as part of this report, detail the results of its operations for the year ended March 31, 1980.

Also, a comparative summary of costs is included as statistical table number 8.

SYSTEMS AND INFORMATION

During the year, the Department of Systems and Information engaged in a number of organizational and developmental activities.

- A new position was defined in the Department to plan and develop human resources in order to obtain maximum benefit from MCP computer systems.

This position will be responsible for establishing and maintaining system and procedural documentation and using this to conduct training and awareness seminars among staff. This position will also identify and co-ordinate staff retraining or redefinition which arises from systems development. This position has been approved and is in process of being classified.

- The need was also established for MCP to acquire an internal Analyst Programmer. This position will provide technical services at the systems analysis and programming level and will greatly enhance MCP control over its own computer systems. This position has been approved, classified and is in process of being filled.

- An extensive study was made into benefits which MCP could derive through application of more up-to-date computer technology.

In the course of the study, which was conducted jointly with Newfoundland and Labrador Computer Services, a number of viable alternatives were identified.

Further research into these alternatives was continuing at year end.

- MCP computer produced statistics have been enhanced through upgrade of the Statistical Officer position to include statistical computer programming. This has made it possible to produce special custom statistical reports at a reasonable cost. Concrete benefits of this capability have been realized in the Newfoundland/Ontario rate comparison reports produced for the Special Committee on Physician Remuneration and Patient Participation.
- The Department of Systems and Information has initiated and maintained a research and development program whose objective is to identify and make available to MCP the benefit of the latest in technology at the lowest possible cost. The benefits of this program will be felt in future systems development projects and other non-computer improvements.

CLAIMS PROCESSING

This department consists of four divisions which report to the Manager. Responsibilities of the department include beneficiary registration and claims processing. Total staff at year end numbered 34.

The following is a general description of the activities of each division:

(i) The Public Services Division, under the direction of the Public Services Supervisor, pursues all matters related to the maintenance of the MCP beneficiary masterfile. In addition to answering enquiries from the general public, this includes review and processing of applications for coverage, recording of name and address changes, issuance of MCP registration cards and processing of coverage cancellation forms.

(ii) The Edit Division, through its Supervisor, is responsible for the verification of claim data which fail to comply with a series of preliminary edit rules. The data capture and edit processes comprise the first stage of the claims processing cycle. They are performed by means of an optical character recognition device (OCR) which scans and interprets hand-coded claim forms submitted by physicians. Errors and omissions are identified by the OCR edit program. Rejected claims are handled by a staff of six edit clerks. The erroneous documents are either corrected and resubmitted or returned to physicians for further clarification.

(iii) The In-Province Assessing Division, a staff of seven medical claims assessment clerks under the direction of a Claims Assessment Supervisor, conducts a manual review and investigation of all factors pertinent to each claim which fails to comply with computerized medical assessment rules.

(iv) The Out of Province Division is responsible for the assessment and processing of insured medical services received outside Newfoundland by MCP beneficiaries. Patient claims are manually reviewed prior to computer processing by a staff of eight who report to the Out of Province Supervisor. Claims of this type are paid according to the rates and regulations of the Newfoundland Medical Care Commission Payment Schedule.

A description of the MCP claims processing system follows on page 12.

MEDICAL AFFAIRS

This department is responsible for all matters relating to the MCP Payment Schedule as well as the review of payments for insured services. The past year has therefore seen activity in the area of Payment Schedule development, tariff development, Medical Advisory input, field service, servicing and utilization reviews and claims review. These functions were carried out by a staff of six.

Review of the MCP Payment Schedule structure, which started the previous year, was continued throughout 1979-80 with a view to complete revision of the Payment Schedule by 1980-81. This project is now being correlated with the recommendations of the Special Committee on Physician Remuneration which was appointed by the Premier in November 1979.

The Medical Director and the Manager of Medical Affairs visited the offices of fee-for-service physicians outside St. John's. These visits, a regular function of the Medical Affairs Department, dealt with claims submission problems presented by each physician and his/her staff. The visits also dealt specifically with the expanded diagnostic coding system which was implemented on July 1, 1979.

Payments for insured services are required to be validated, especially since a large portion of the claims submitted are assessed and processed automatically.

Some aspects of the claim validation are:

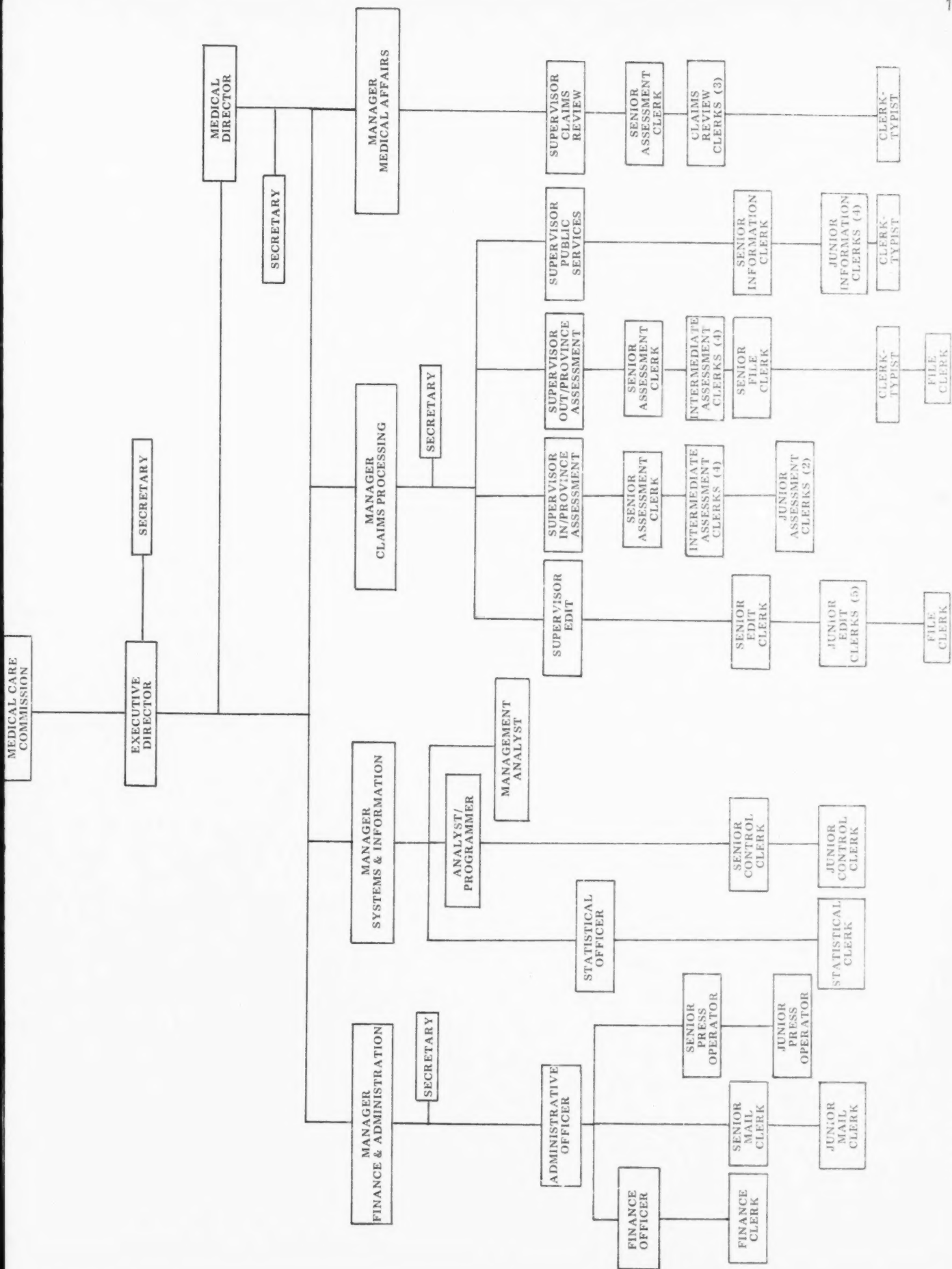
- (i) that a service was rendered;
- (ii) that the service was rendered as claimed;
- (iii) that a claim is not a duplicate of another claim for services on the same date;
- (iv) that the service is an insured service under MCP and not the responsibility of another agency (e.g. W.C.B., D.V.A., or third party liability).

The Claims Review Division is therefore required to write patients or physicians requesting verification of services claimed. Service printouts are continually reviewed to determine services which may be the responsibility of another agency. Special reviews are also undertaken as requested.

During the year these efforts resulted in the recovery of \$44,284.95 representing payments to physicians for services which were determined to have been the responsibility of the Worker's Compensation Board. A further \$33,089.31 was recovered representing payment for services which were found to be third party liabilities. Other payments for services found to have been claimed in error were recovered totalling \$20,019.67 for the year, bringing total recoveries by this division to \$97,393.93.

The Manager of Medical Affairs is the first level of reference for difficult claims. Throughout the year, therefore, he continually participated in the assessment of claims referred from the In-Province and Out-of-Province Claims Assessment Divisions.

The second level of reference for difficult claims is the Medical Director and the third level is the Medical Advisory Committee.



CLAIMS PROCESSING SYSTEM

Claim forms designed to meet Optical Character Reader standards are provided by the Commission to both opted-in and opted-out physicians. Services rendered by a physician are billed in code form by the physician or his authorized staff. This is done in accordance with instructions provided at the time the physician registers with MCP. Periodic follow-up training is also conducted.

The claim form is designed so that the doctor may provide enough information about himself, the patient and the service(s) rendered, to allow a thorough computer assessment of the items claimed.

Claims are received, counted, date stamped and batched for daily processing.

The claims are forwarded three times per week to the computer centre, where they are optically scanned and edited. Approximately 12% of the 40,000 documents processed each week are rejected for failure of edit rules. In the system, more than 65 edit rules are applied. Of the more than one hundred million characters of coded data which are read by the optical character reader each year, less than 1% reject because of poor figure formation.

Approximately 75% of all rejected claims are corrected by MCP staff, while the remainder are returned to physicians for further clarification or correction.

Those claim forms which comply with the edit rules are recorded, sequentially numbered by the optical reader for future reference and returned to MCP for microfilming.

Magnetic tapes containing the accepted claim information then become input to a daily assessment program. This program performs a series of checks (32 rules) on the physician and fee claimed.

Claim items which fail physician and fee assessment are printed on turnaround documents. These documents provide all the information contained on the original claim forms including the reference number of the original document. Turnaround documents are then assigned to junior assessment clerks, who either correct the item which failed and re-enter the turnaround documents or return the original claims to the doctor with an explanatory letter.

The items which pass physician and fee assessment are stored on magnetic tape for a further assessment of patient history on a weekly basis. Again, those items which fail at this point, generate turnaround documents for review by assessors. These rejects are assigned to intermediate or senior assessors as determined by complexity. There are more than seventy rules applied at the patient history stage.

Claim items, which satisfy all criteria of the weekly patient assessment program, are stored on tape until month end, at which time this tape is used to generate physician and patient cheques.

The flow of all data is controlled and recorded by the control section.

Original source documents and recent turnaround documents are kept on file for three months while copies of older claim forms, turnaround documents and adjustment forms are available from microfilm.

MCP MASTER FILE MAINTENANCE SYSTEM

The major portion of the master file maintenance system is devoted to updating the patient master and history files. These files contain information which permits determination of eligibility and accurate assessment of claims.

Patient registration, change and lost card request forms are received by the Public Services office on a daily basis. Each week, the forms are forwarded to Newfoundland and Labrador Computer Services where the Patient Master and Patient History Files are updated.

STATISTICAL SYSTEM

The MCP statistics system generates statistical reports and summary files on a recurring monthly, quarterly and annual basis.

The source of data for these reports and files is the claims processing payment file.

Special one time requirements are met through manual manipulation and summary of this information or special one time computer programs.

All statistical files and reports produced are subject to control procedures which balance statistical report(s) against claims processing system controls. This is done to assure the integrity and meaning of these reports.



DEPARTMENT OF THE AUDITOR GENERAL
ST. JOHN'S, NEWFOUNDLAND

AUDITOR'S REPORT

To the Chairman and Members,
The Newfoundland Medical Care
Commission,
St. John's, Newfoundland.

I have examined the balance sheet of the Newfoundland Medical Care Commission as at 31 March 1980 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at 31 March 1980 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

D. E. Howley, C. A.,
Auditor General.

St. John's, Newfoundland
5 May 1980

NEWFOUNDLAND MEDICAL CARE COMMISSION
INDEX TO FINANCIAL STATEMENTS
31 MARCH 1980

Balance Sheet

Statement 1

Statement of Revenue and
Expenditure

Statement 2

Schedule of Administrative
Expenditure

Schedule 1

STATEMENT 1

NEWFOUNDLAND MEDICAL CARE COMMISSION
BALANCE SHEET
31 MARCH 1980

	<u>1980</u>	<u>1979</u>
<u>ASSETS</u>		
Cash	\$ 119,149	\$1,340,497
Accounts receivable:		
Due from the Province of Newfoundland	—	1,500,000
Net deficit due from the Province of Newfoundland (Note 2)	4,222,039	2,823,027
Third party liability recovery	5,317	3,381
Prepaid expense	42,967	31,008
Total assets	<u>\$4,389,472</u>	<u>\$5,697,913</u>

<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	\$ 113,935	\$ 38,676
Due to the Province of Newfoundland - salaried physicians	—	1,356,017
Liability for presented and processed claims	2,745,068	2,955,129
Estimated liability for unpresented and unprocessed claims	<u>1,530,469</u>	<u>1,348,091</u>
Total liabilities	<u>\$4,389,472</u>	<u>\$5,697,913</u>

Signed on behalf of the Commission

R. M. CROSBIE
Chairman

R. O. PEDDIGREW
Executive Director

See accompanying notes

STATEMENT 2

**NEWFOUNDLAND MEDICAL CARE COMMISSION
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 1980**

	<u>1980</u>	<u>1979</u>
Revenue:		
Contributions - Province of Newfoundland	<u>\$31,500,000</u>	<u>\$34,775,000</u>
Investment income	—	216,419
Third party recoveries	36,921	25,215
Miscellaneous	<u>11,888</u>	<u>12,483</u>
	48,809	254,117
Total revenue	<u>31,548,809</u>	<u>35,029,117</u>
Expenditure:		
Cost of insured services -		
Physicians -		
Fee for service (opted-in)	29,535,117	25,780,816
Fee for service (opted-out) and out-of-province physicians	577,765	645,824
Dental surgery	423,329	445,346
Sessional payments	962,150	874,416
Payments in lieu of fee for service	15,000	15,000
Salaried physicians	<u>—</u>	<u>6,194,639</u>
	31,513,361	33,956,041
Administrative expenditure (Schedule 1)	<u>1,434,460</u>	<u>1,286,487</u>
Total expenditure	<u>32,947,821</u>	<u>35,242,528</u>
Net deficit for the year	<u>\$ 1,399,012</u>	<u>\$ 213,411</u>

See accompanying notes

SCHEDULE 1

**NEWFOUNDLAND MEDICAL CARE COMMISSION
ADMINISTRATIVE EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 1980**

	<u>1980</u>	<u>1979</u>
Computer costs		
Claims processing	\$ 300,217	\$ 341,500
Redevelopment	<u>—</u>	<u>17,698</u>
	300,217	359,198
Salaries	793,133	683,262
Commission fees	10,401	13,666
Consultants' fees	4,275	—
Office supplies	83,753	59,643
Microfilming	444	2,334
Microfiche	—	2,427
Postage and telephone	45,418	39,404
Electricity	3,645	3,314
Interest and bank charges	7,703	4,749
Furniture and equipment	6,816	5,600
Office rental	115,864	72,152
Equipment rental	12,753	12,882
Leasehold improvements	19,279	1,133
Travelling	11,021	10,490
Cleaning	5,059	4,956
Miscellaneous	<u>14,679</u>	<u>11,277</u>
Total administrative expenditure	<u><u>\$1,434,460</u></u>	<u><u>\$1,286,487</u></u>

See accompanying notes

**NEWFOUNDLAND MEDICAL CARE COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1980**

1. Accounting policies

- (a) In accordance with Section 3 of the Newfoundland Medical Care Insurance (Amendment) Act, 1974, the Province of Newfoundland is liable for any deficit of the Commission from money voted by the Legislature. As a result, the net accumulated deficit to 31 March 1980 of \$4,222,039 has been recorded as due from the Province of Newfoundland.
- (b) The Commission recognizes unclaimed services rendered prior to 31 March 1980 by estimating the cost of unrepresented and unprocessed claims at 31 March 1980. This estimate is based on an age analysis of payments for the year by date of service. Accordingly, the estimated liability for unrepresented and unprocessed claims at 31 March 1980 is \$1,530,469.
- (c) The Commission follows the practice of expensing fixed assets in the year of acquisition. The total of the fixed assets acquired and under control of the Commission to 31 March 1980 is \$101,346, (1979 - \$96,080).

2. Net deficit due from the Province of Newfoundland

The net deficit is comprised of deficits for the following years:

	<u>1980</u>	<u>1979</u>
Year ended 31 March 1978	\$2,609,616	\$2,609,616
1979	213,411	213,411
1980	<u>1,399,012</u>	<u>—</u>
	<u>\$4,222,039</u>	<u>\$2,823,027</u>

	STATISTICAL TABLES
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TABLE 1

DISTRIBUTION OF PAYMENTS BY TYPE OF PAYMENT BY SPECIALTY 1979-80

Specialty	Physicians* & Dentists	Fee-For- Service Payments	Sessional Payments	Total	% Total Payments
General Practice	573	15,007,781	416,638	15,424,419	49.0
Anaesthesia	56	1,326,425	132,392	1,458,817	4.6
Dermatology	2	96,030	—	96,030	0.3
Surgery (General, Plastic & Neuro.)	45	3,204,787	53,135	3,257,922	10.3
Internal Medicine	53	2,890,592	64,025	2,954,617	9.4
Neurology	5	242,015	33,203	275,218	0.9
Obstetrics & Gynaecology	23	1,568,122	13,349	1,581,471	5.0
Ophthalmology	23	594,611	85,563	680,174	2.2
Orthopaedic Surgery	12	936,737	45,233	981,970	3.1
Otolaryngology	7	646,674	—	646,674	2.1
Paediatrics	34	1,230,407	43,481	1,273,888	4.1
Psychiatry	35	1,361,283	33,274	1,394,557	4.4
Urology	8	632,186	5,012	637,198	2.0
Total Physicians	876	29,737,650	925,305	30,662,955	97.4
Dental Surgery	61	422,188	—	422,188	1.3
Out of Province	—	408,349	—	408,349	1.3
Totals	937	30,568,187	925,305	31,493,492*	

* All physicians and dentists who received an MCP payment during the fiscal year (including locums)

★ Salaried physicians formerly paid by MCP were paid directly by Department of Health commencing April 1, 1979 (See Table 8)

TABLE 2

ITEMS OF SERVICE BY SPECIALTY BY TYPE OF SERVICE 1979-80

Specialty	Consultations & Assessments	Office Visits	Home Visits	Hospital Visits	Diagnostic Therapeutic Procedures	Obstetrics	General Surgery	Time* Units	Dental Surgery	Totals	% of Totals
General Practice	95,194	1,323,826	79,334	230,978	54,659	12,033	32,635	50,938	1,732	1,881,329	69.2
Anaesthesia	155	3	—	430	3,389	1,869	18,713	98,869	2,352	125,780	4.6
Dermatology	2,702	923	—	2,113	247	—	383	—	—	6,368	0.2
General Surgery	21,319	9,841	1,178	29,784	600	83	17,813	876	10	31,504	3.0
Internal Medicine	29,491	8,878	116	91,240	22,821	—	3,523	—	—	156,069	5.7
Neurology	5,046	11	1	5,379	5	—	8	—	—	10,450	0.4
Neurosurgery	2,877	277	—	3,392	2	—	619	24	4	7,195	0.3
Obstet. & Gynae.	16,347	18,141	526	9,417	330	7,082	6,289	207	—	58,339	2.2
Ophthalmology	22,904	5,694	1	1,453	135	—	807	—	—	30,994	1.1
Orthopaedic Surgery	15,518	4,433	7	15,767	644	—	5,363	73	—	41,805	1.5
Otolaryngology	12,604	8,222	2	1,183	519	—	6,430	3	4	28,967	1.1
Paediatrics	20,885	11,462	291	40,667	37,526	—	295	44	—	111,170	4.1
Plastic Surgery	1,861	422	—	2,304	14	—	2,091	1	56	6,749	0.3
Psychiatry	10,052	41,704	337	49,661	2,430	—	1	—	—	104,185	3.8
Urology	6,555	1,684	6	5,588	515	1	5,718	780	—	20,847	0.8
Dental Surgery	—	—	—	—	—	—	—	—	47,313	47,313	1.7
Totals	263,510	1,435,521	81,799	489,356	123,836	21,068	100,688	151,815	51,471	2,719,064	
% of Totals	9.7	52.8	3.0	18.0	4.5	0.8	3.7	5.6	1.9		

* Units of fifteen minutes spent in anaesthesia and surgical assistance

TABLE 3

AVERAGE GROSS PAYMENTS TO FEE-FOR-SERVICE PHYSICIANS 1979-80

	FULL-TIME ¹	ACTIVE ²	\$20,000 PLUS ³	ALL PHYSICIANS ⁴
GENERAL PRACTICE				
St. John's	(153) \$ 85,344	(186) \$ 78,265	(195) \$ 76,322	(243) \$ 62,533
Corner Brook	(59) 76,290	(71) 68,523	(72) 68,576	(94) 54,305
Grand Falls	(13) 87,820	(16) 85,041	(16) 85,041	(17) 80,044
Carbonear	(8) 107,791	(9) 102,468	(10) 95,168	(11) 87,921
Labrador	(7) 88,402	(7) 88,402	(7) 88,402	(8) 77,632
Gander	(3) 90,347	(5) 72,975	(6) 66,493	(12) 36,343
Other Districts	(9) 80,247	(11) 71,309	(12) 67,778	(14) 58,536
	(54) 90,801	(67) 84,199	(72) 80,584	(87) 67,660
ANAESTHESIA	(12) 71,166	(18) 64,630	(24) 56,623	(29) 47,405
MEDICAL SPECIALISTS				
Dermatology	(40) 93,304	(82) 70,033	(85) 68,809	(103) 58,155
Internal Medicine	(1) —	(1) —	(1) —	(2) 48,015
Neurology	(21) 93,797	(41) 71,044	(42) 69,873	(48) 61,445
Paediatrics	(2) 101,226	(4) 65,335	(3) 81,218	(4) 65,335
Psychiatry	(9) 82,969	(18) 62,433	(20) 59,932	(28) 45,399
	(7) 105,021	(18) 75,928	(19) 73,356	(21) 67,244
SURGICAL SPECIALISTS				
Surgery - Plastic	(54) 114,675	(75) 98,037	(80) 94,013	(96) 79,787
- Neuro.	(2) 153,288	(2) 153,288	(2) 153,288	(2) 153,288
- General	(2) 110,948	(2) 110,948	(2) 110,948	(2) 110,948
Obstetrics & Gynaecology	(20) 108,791	(27) 96,268	(29) 91,440	(35) 77,269
Ophthalmology	(10) 116,380	(16) 92,933	(17) 90,420	(19) 82,536
Otolaryngology	(5) 98,495	(6) 90,304	(7) 79,861	(13) 45,899
Orthopaedic Surgery	(3) 184,254	(4) 148,589	(5) 128,531	(6) 107,112
Urology	(7) 116,759	(10) 96,479	(10) 96,479	(11) 89,270
	(5) 92,366	(8) 79,649	(8) 79,649	(8) 79,650
ALL SPECIALISTS	(106) 101,685	(175) 81,479	(189) 77,930	(228) 65,896
ALL PHYSICIANS	(259) 92,032	(361) 79,823	(384) 77,113	(471) 64,161

1 All physicians who received a minimum of eleven monthly payments totalling more than \$20,000, excluding full-time physicians at Memorial University

2 All physicians who received a minimum of \$5,000 in the fourth fiscal quarter

3 All physicians who received more than \$20,000

4 All physicians whose major form of payment was through fee-for-service

() Denotes numbers of physicians

Latest federal statistics indicate that 33% of the above amounts were consumed by physicians' overheads.

TABLE 4

LEVEL OF GROSS PAYMENTS TO FULL-TIME FEE-FOR-SERVICE PHYSICIANS BY SPECIALTY

GROSS PAYMENTS	ANESTHESIA	DERMATOLOGY	SURGERY (GENERAL, PLASTIC & NEUROSURG.)	INTERNAL MEDICINE	NEUROLOGY	OBSTETRICS AND GYNAECOLOGY	OPHTHALMOLOGY	OTOLARYNGOLOGY	ORTHOPAEDIC SURGERY	PAEDIATRICS	PSYCHIATRY	UROLOGY	SUB-TOTALS	GENERAL PRACTICE	TOTALS	% OF TOTALS
\$ 20,001 - 30,000														2	2	0.8
30,001 - 40,000			1										1	2	3	1.2
40,001 - 50,000	1			1									2	7	9	3.5
50,001 - 60,000	2		1	2									5	10	15	5.8
60,001 - 70,000	3									2			5	19	24	9.2
70,001 - 80,000	2		2	4	1	1	1			2	2		15	21	36	14.3
80,001 - 90,000	1		2	2						2	1	3	11	31	42	16.2
90,001 - 100,000	2		2	5		2	2		1	2	1	1	18	25	43	16.6
100,001 - 110,000	1		5	3		1			1				11	13	24	9.2
110,001 - 120,000			2	2		1	2		1	1		1	10	11	21	8.1
Over 120,001			9	2	1	5		3	4		3		27	12	39	15.1
TOTALS	12	1	24	21	2	10	5	3	7	9	7	5	106	153	259	

TABLE 5

PHYSICIANS AND DENTISTS REGISTERED WITH MCP AS OF DECEMBER 31, 1979

DISTRICTS	PRIVATE PRACTICE	SALARIED	RADIOLOGY	PATHOLOGY	ADMIN.	TOTAL PHYSICIANS	DENTISTS
Baie Verte	x	9	1	x	x	10	4
Bell Island	1	2	x	x	x	3	1
Bonavista	x	8	x	x	x	8	2
Bonne Bay	x	5	x	x	x	5	x
Botwood	x	4	x	x	x	4	x
Brookfield	1	3	x	x	x	4	x
Buchans	x	1	x	x	x	1	x
Burgeo	x	3	x	x	x	3	1
Burin Peninsula	12	5	x	x	x	17	5
Carbonear	19	1	1	x	x	21	5
Clarenville	5	4	x	x	x	9	2
Come by Chance	x	3	x	x	x	3	x
Conception Bay South	11	x	x	x	x	11	3
Corner Brook	45	9	1	1	x	56	8
Deer Lake	3	1	x	x	x	4	x
Fogo	x	3	x	x	x	3	x
Gander	21	8	x	1	x	30	4
Grand Falls	23	3	2	x	x	28	6
Harbour Breton	x	8	x	x	x	8	1
Labrador	11	x	x	x	x	11	3
Labrador (I.G.A.)	x	18	x	x	x	18	x
Markland	x	3	x	x	x	3	4
Musgravetown	2	x	x	x	x	2	x
Old Perlican	x	2	x	x	x	2	x
Placentia	3	3	x	x	x	6	1
Port aux Basques	6	2	x	x	x	8	2
Southern Shore	4	1	x	x	x	5	1
Springdale	4	1	x	x	x	5	2
St. Anthony (I.G.A.)	x	19	x	1	x	20	1
Stephenville	7	12	x	x	x	19	3
St. John's	270	31	10	5	17	333	36
Torbay - Portugal Cove	2	x	x	x	x	2	x
Twillingate	1	7	x	x	x	8	x
TOTALS	451	179	15	8	17	670	95

FREE-FOR-SERVICE PATIENT SERVICE LEVELS 1979-80

Level of Services Per Patient		Number of Physicians Seen						Number of Patients					% of Total Patients	
		1	2	3	4-6	7-10	11-14	15+	Total	%				
Services Per Patient	20-24	221	670	986	3,627	1,619	107	0	7,230	1.92				
		4,822	14,502	21,228	78,696	35,488	2,363	0	157,099					
	25-29	63	186	380	1,654	1,113	137	7	3,540	0.94				
		1,670	4,941	10,112	44,064	29,713	3,702	190	94,392					
	30-34	30	82	165	752	624	133	10	1,796	0.48				
	956	2,577	5,243	23,827	19,843	4,268	317	57,031						
35-39	17	26	66	364	340	95	21	929	0.25					
	630	940	2,431	13,343	12,497	3,505	774	34,120						
40-44	12	23	47	165	190	72	16	525	0.14					
	508	968	1,985	6,902	7,937	3,015	680	21,995						
45-49	5	15	26	91	126	55	21	339	0.09					
	235	700	1,229	4,273	5,895	2,586	985	15,903						
50+	8	32	57	210	279	168	106	860	0.23					
	721	2,697	4,291	14,962	18,167	11,257	8,250	60,345						
TOTAL	356	1,034	1,727	6,863	4,291	767	181	15,219	4.05					
	9,542	27,325	46,519	186,067	129,540	30,696	11,196	440,885						

Total number of services rendered at all levels = 2,719,064

TABLE 7

CLAIMS PROCESSING RESULTS

1979-80

CLAIMS (IN-PROVINCE)

Received from physicians	2,117,411
% Increase over previous year	5.7%
Returned to physicians	71,171
Items of service paid	2,777,585
% Increase over previous year	6.2%
Rejected claims -	
Edit	13.5%
Medical Assessment	3.3%

CLAIMS AND ENQUIRIES (OUT OF PROVINCE)

Claims paid	17,196
Increase over previous year	1.5%
Enquiries and non-payable claims	11,522

PATIENT REGISTRATION

New registrations	20,893
Registration updates	46,915
Card replacements	14,777

TABLE 8

SUMMARY OF COSTS
1969-1980

Year	Fee For Service Costs	Administrative Costs	Total (Cols. 1&2)	Payments to Salaried Physicians	Total
1969-70	\$ 8,595,700	\$ 971,800	\$ 9,567,500	\$3,667,100	\$13,234,600
1970-71	11,333,700	772,700	12,106,400	3,635,900	15,742,300
1971-72	11,667,000	812,500	12,479,500	4,096,000	16,575,500
1972-73	13,285,500	938,300	14,223,800	4,301,300	18,525,100
1973-74	15,523,400	974,900	16,498,300	4,674,400	21,172,700
1974-75	18,401,100	1,020,000	19,421,100	4,834,400	24,255,500
1975-76	21,822,200	1,134,700	22,956,900	5,488,700	28,445,600
1976-77	24,481,300	1,191,000	25,672,300	6,775,800	32,448,100
1977-78	25,228,100	1,318,700	26,546,800	7,155,400	33,702,200
1978-79	27,761,400	1,286,500	29,047,900	6,194,600	35,242,500
1979-80	31,513,400	1,434,500	32,947,900	6,803,700	39,751,600

Note: Effective April 1, 1979 responsibility for payment of salaried physicians was transferred to the Department of Health